

# Wellness Initiative

April 22, 2008

Health Benefits Committee Meeting

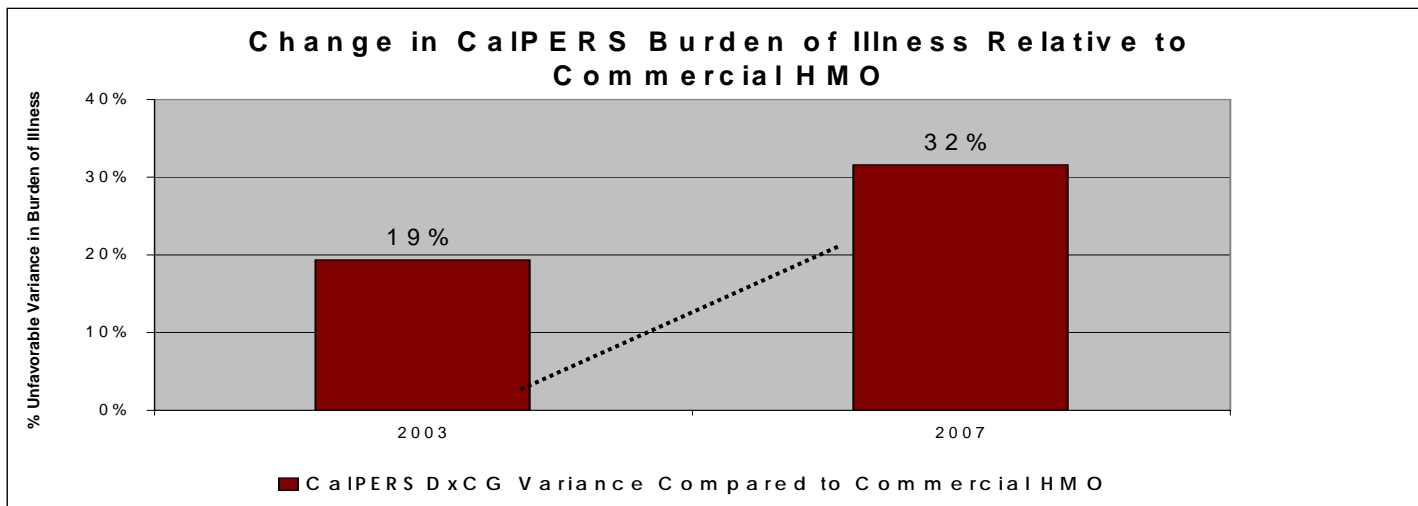
Blue Shield of California

# key cost driver for CalPERS: member behavior/health status

- Only 3.0% of US adults follow two or more of the 4 modifiable lifestyle characteristics—nonsmoking, healthy weight, adequate fruit and vegetable consumption, and regular physical activity
- To make a significant difference in healthcare cost trends, this percentage must rise
- By working in partnership, Blue Shield and CalPERS can change member behavior through innovative prevention and wellness programs
- In the best of circumstances, this is challenging work with uncertain outcomes
- The good news:
  - we have already started on this path
  - we are proposing to accelerate the pace in 2009

# member health status impacts cost

the unfavorable disparity in CalPERS' health status compared to Blue Shield's commercial HMO almost doubled during the period of 2003 - 2007 contributing as much as 2% to the 2008 CalPERS premium

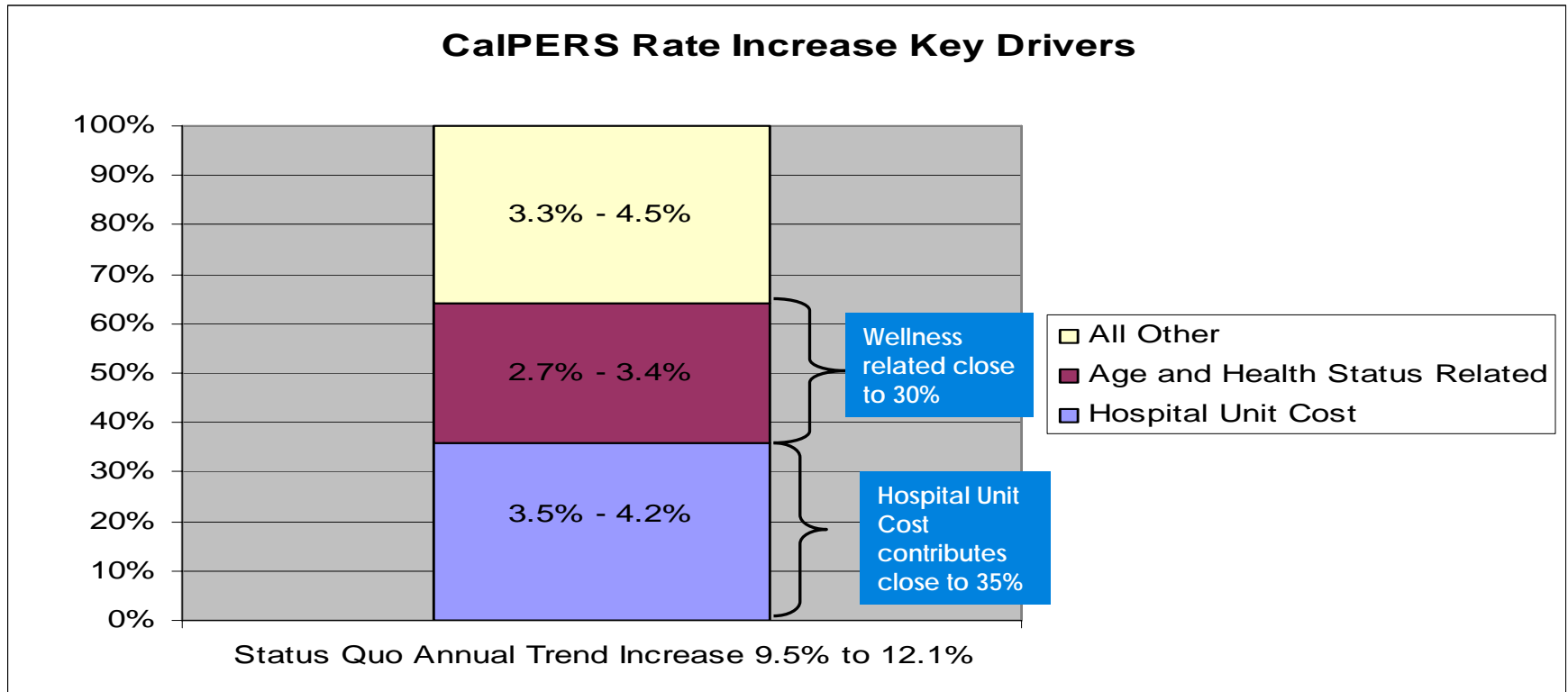


A significant variance in health status exists when comparing CalPERS to Blue Shield's Commercial HMO.

*Note: The DxCG measurement of illness burden does include a component of demographics (age)*

# member health status impacts cost...

Even if provider unit cost and utilization rates are kept to a minimum, member health status, if left unaddressed, will drive an increase in healthcare cost trends and premiums



# current focus of health system is on treating illness

Current	Future
<p>Focus on treating acute illness episodes:</p> <ul style="list-style-type: none"><li>• Current Procedural Terminology(CPT 4) has over 380 pages devoted to treatment codes</li><li>• CPT 4 has <b><u>only</u></b> 2 pages of codes devoted to preventative care</li></ul>	<p>Focus on keeping people healthy through proactive, preventative care</p>
<p>Physician office visits can:</p> <ul style="list-style-type: none"><li>• Sometimes be difficult to schedule</li><li>• Result in significant lost work time</li></ul>	<p>Greater access to wellness and prevention services and support when/where a member needs it:</p> <ul style="list-style-type: none"><li>• Less work time lost</li><li>• Greater productivity</li></ul>

# Expand on current efforts to promote member wellness and healthy lifestyles

- Explore an aggressive expansion of existing Blue Shield wellness programs aimed at improving members' health
  - pilot or add in full other complementary programs
  - use healthy lifestyle rewards (HLR) program as a foundation
- Blue Shield and CalPERS can partner to provide interventions which have been designed based on research and tailored to the CalPERS member population

# Expand on current efforts to promote member wellness and healthy lifestyles...

- Blue Shield proposes a comprehensive wellness initiative to include:
  - worksite wellness centers
  - increased physician/IPA engagement in wellness programs
  - individualized telephonic health coaching
- Engage a qualified, independent third party to measure results, help us learn what works for the CalPERS population, and inform program improvements
- Success will require active engagement of
  - CalPERS
  - Members
  - State and public agencies

# worksite wellness centers

Research shows that onsite wellness centers can reduce employer costs by decreasing lost work time and absenteeism and can improve employee morale and assist in recruitment/retention

- Serve as a “storefront” for prevention and wellness services
- Provide limited urgent care services, bio-metric screenings and lab services
- Provide personal health coaching and reinforcement for lasting behavior changes
- Deliver convenient access to educational materials and referral to onsite and community programs
- Promote early identification of health issues and referral to disease management programs



# increased physician engagement

Studies indicate that when wellness and prevention messages come directly from a provider, they are more likely to resonate with a member and drive toward more direct physician/patient interaction

- Blue Shield will work with key Primary Care Physicians and IPA/Medical Group Partners with significant CalPERS membership
- Engage and train IPA/Medical Group staff on our wellness programs to help them educate members to make more effective use of available programs and services
- Establish wellness assessment stations in high volume physician offices, equipped with onsite computers to provide members with a convenient way to complete a health assessments prior to a physician visit
- The physician can review the results directly with the member and develop a personalized “game plan” for the member in real time

# health coaching

Research shows that for people with serious health-risk factors, health coaching can be a significant support in changing behavior

- Provide telephonic health coaching based on a member's health risk assessment score
- Members identified for the program receive up to 12 scheduled calls
- Members receive a welcome kit, including an explanatory brochure, personalized physician letter, a Personal Health Journal, personalized goal letters, and educational booklets for their specific needs

Risk Factors Identified via the HRA		
Alcohol Use	Blood Pressure/Blood Sugars	Safety
BMI Measurement	Exercise (lack of)	Cholesterol
Depression	Substance Abuse	Smoking

# conclusion

- Address underlying population health issues that drive health care costs
- Create a culture of wellness and change employee behavior over time
- Allow focused study of issues and development of customized interventions for the CalPERS population
- Continue CalPERS role as a change agent in California's healthcare delivery system

# next steps

- Obtain feedback from CalPERS Board and staff
- Use feedback to inform the final scope and design of the initiative
- Return to CalPERS Board for review and action